

## Message Text

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ORIGIN ARA-14

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E.O. 11652: N.A.

TAGS: OAS, ETRD, XA

SUBJECT: THE OAS AND SUGAR

REF: STATE 009263, STATE 017098

1. SUMMARY: AT THE JANUARY 25 MEETING OF THE OAS PERMANENT COUNCIL, THE LATIN AND CARIBBEAN DELEGATIONS RESOUNDINGLY CRITICIZED U.S. ACTION IN ESTABLISHING A FIXED IMPORT FEE OF 2.7 CENTS PER POUND ON SUGAR. THE MEASURE WAS CALLED DISCRIMINATORY, EXCESSIVELY PROTECTIONIST, AND IN VIOLATION OF U.S. COMMITMENTS UNDER THE OAS CHARTER. SOME DELEGATES SAID THEY SEE IT AS PART OF AN ALARMING TREND BY DEVELOPED COUNTRIES TO RESTRICT ACCESS TO THEIR MARKETS BY DEVELOPING COUNTRIES. A TRADE COMMITTEE  
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CHAired BY PERU AND INCLUDING BRAZIL, ECUADOR, MEXICO, PANAMA, VENEZUELA AND THE U.S. WILL REVIEW U.S. TRADE POLICY TO TRY TO IDENTIFY WAYS TO DEAL WITH TRADE MATTERS IN THE INTER-AMERICAN SYSTEM. THE MEETING OF CONSULTATION ON SUGAR WILL ALSO RECONVENE. END SUMMARY.

2. AMBASSADOR DIPP-GOMEZ OF THE DOMINICAN REPUBLIC

OPENED THE DISCUSSION, DENOUNCING THE FIXED IMPORT FEE AS AN UNNECESSARILY PUNITIVE MEASURE AGAINST NON-U.S. SUGAR PRODUCERS. HE CHARGED THAT LATIN AMERICAN SUGAR IS NOW

NONCOMPETITIVE IN THE U.S. MARKET. BRAZIL, PERU, ECUADOR, ARGENTINA, URUGUAY, MEXICO, CHILE, VENEZUELA AND GUATEMALA IN TURN SUPPORTED AND EXPANDED ON THE DOMINICAN CHARGES. A COMMON THEME WAS THAT THE SUGAR ACTION WAS ONLY THE LATEST IN AN ALLEGEDLY LONG SERIES OF PROTECTIONIST MEASURES WHICH, TO THE LATINS AND CARIBBEANS, SPELL OUT A TREND THAT BELIES U.S. ANTI-PROTECTIONIST RHETORIC.

3. PERU'S MARCHAND AND PANAMA'S PITTLY CALLED FOR OAS ACTION TO ANALYZE TRADE PROBLEMS AND DEFINE ACTIONS AVAILABLE WITHIN AND OUTSIDE THE OAS TO DEAL WITH THE PERCEIVED LACK OF U.S. INTEREST IN LIVING UP TO ITS TRADE COMMITMENTS UNDER THE OAS CHARTER. CECON WAS LABELED A SHAM, WITH THE U.S. LIMITING ITSELF TO ADVISING, NOT CONSULTING. SEVERAL DELEGATES NOTED THAT THE RECENT CECON CONSULTATION MEETINGS ON SUGAR HAD PRODUCED AN ENVIRONMENT OF HOPE, BUT THAT LATIN AND CARIBBEAN INTERESTS WERE IGNORED IN THE U.S. DECISION. PANAMA SAID THAT SINCE SELA IS NOT FULFILLING ITS EXPECTED ROLE ON TRADE, THE OAS MUST MOBILIZE ITS EXPERTISE TO ADVISE MEMBERS ON HOW TO INFLUENCE U.S. UNCLASSIFIED

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TRADE POLICY AND HOW TO DEAL WITH WHAT HE CALLED ITS RISING TIDE OF PROTECTIONISM. FURTHER DEBATE REFERRED TO OAS CHARTER PROVISIONS ON POLICIES ADVERSELY AFFECTING THE ECONOMIES OF OTHER COUNTRIES, AND ON THE NEED FOR CHARTER REFORM TO STRENGTHEN THE OAS POSITION ON TRADE.

4. THE PERMANENT COUNCIL DECIDED TO CONVENE ITS AD HOC COMMITTEE ON TRADE MATTERS, CHAIRED BY PERU, TO DIRECT THE SECRETARIAT IN A STUDY OF TRENDS IN U.S. TRADE POLICY. THE MEETING OF CONSULTATION ON SUGAR THAT MET EARLIER THIS MONTH WILL RECONVENE JANUARY 30, WHEN THE LATINS AND CARIBBEANS WILL PRESENT THE U.S. WITH A DECLARATION THEY ARE PREPARING AGAINST THE LATEST SUGAR DECISION.

5. COMMENT: DISCUSSION WAS BITTER, WITH THE U.S. TAKING THE BRUNT OF LATIN AND CARIBBEAN FRUSTRATION OVER SUGAR. VANCE

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## Message Attributes

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**Decaption Date:** 01 jan 1960  
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